

1 Keith C. Owens (SBN 184841)
2 FOX ROTHSCHILD LLP
3 10250 Constellation Blvd., Suite 900
4 Los Angeles, CA 90067
Telephone: 424-285-7056
Facsimile: 310-556-9828
kowens@foxrothschild.com

5 Attorneys for Microsoft Corporation and
6 Microsoft Licensing, GP

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10 UNITED STATES BANKRUPTCY COURT
11 NORTHERN DISTRICT OF CALIFORNIA
12 SAN FRANCISCO DIVISION

13 In re:
14 PG&E CORPORATION,
15 and

16 PACIFIC GAS AND ELECTRIC
17 COMPANY,

18 Debtor.

19 Lead Case No.: 19-30088 (DM)

Jointly administered
Chapter 11 Cases

**CURE OBJECTION BY MICROSOFT
CORPORATION AND MICROSOFT
LICENSING, GP**

[RELATES TO DOCKET NO. 7037]

- 20 Affects PG&E Corporation
 Affects Pacific Gas and Electric Company
 Affects both Debtors

21
22 Microsoft Corporation and its wholly owned affiliate, Microsoft Licensing, GP
23 (collectively “Microsoft”), hereby object (the “*Cure Objection*”) to the *Notice of Filing of Plan*
24 *Supplement in Connection with Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of*
25 *Reorganization Dated March 16, 2020* (Docket No. 7037, at page 993 of 2063) filed by PG&E
26 Corporation and Pacific Gas & Electric Company (collectively, the “Debtors”). In support of the

1 Cure Objection, Microsoft respectfully states as follows:

2 1. Debtors propose to assume the following executory licensing contracts (the “Licenses”)
3 entered into by and between Microsoft and Pacific Gas and Electric Company:

<u>Agreement</u>	<u>Number</u>
Microsoft Enterprise Agreement	E7763766
Microsoft Enterprise Enrollment	82842058

8 2. The Licenses are the contractual vehicles by which Debtors obtained licenses to use
9 Microsoft software and products (“Software”) throughout their enterprise. They enable Debtors
10 to license Microsoft’s copyrighted software and products across their enterprise.

11 3. Any licenses that Debtors have to Software are licenses of copyrighted materials and,
12 therefore, may not be assumed or assigned without Microsoft’s consent. *In re Catapult*
13 *Entertainment*, 165 F.3d 747 (9th Cir. 1999) (since federal patent law excused non-debtor
14 licensor from rendering performance, debtor could not assume or assign the non-exclusive patent
15 license without the non-debtor’s licensor’s consent). The Ninth Circuit’s analysis in *Catapult*
16 holds true for non-exclusive copyright licenses. See *In re Access Beyond Technologies, Inc.*, 237
17 B.R. 32, 48, 49 (Bankr. D. Del. 1999) (citing *In re West Elec., Inc.*, 852 F.2d 79 (3d Cir. 1988));
18 *In re Patient Educ. Media*, 210 B.R. 237, 243 (Bankr. S.D.N.Y. 1997) (holding that debtor could
19 not assume and assign nonexclusive license without copyright owner’s consent).

20 4. The amount required to cure all monetary defaults under the Licenses that arose before
21 the petition date on January 29, 2019, is \$6,975.91 as set forth in the Exhibits attached to
22 Microsoft ‘s Proof of Claim (Claim No. 8933), and summarized below:

<u>Exhibit</u>	<u>Billing Document</u>	<u>Document Date</u>	<u>Net due date</u>	<u>Amount</u>
A	9877550759	11/12/2018	12/12/2018	\$5,001.21
B	9877643644	12/12/2018	01/11/2019	\$957.96
C	9877747249	01/11/2019	02/10/2019	\$1,016.74
				\$6,975.91

1 5.The amount required to cure all monetary defaults under the Licenses that have arisen
2 after the petition day is \$416,338.78, which Microsoft expects that Debtors will be in the ordinary
3 course but is yet unpaid, is set forth below:

PO Number	Document Number	Document Date	Net due date	Reference	Amount in doc. curr.
2700121387-O111	1600238268	9/3/2019	9/3/2019	OFFSET	(0.42)
9878222057	1333891389	1/23/2020	1/23/2020	9520261111	(26,414.42)
	1401213344	2/21/2020	2/21/2020	000470245	21,751.50
	1334509922	5/1/2020	5/1/2020	9660924134	(72,230.40)
2700402997	1334413305	4/17/2020	5/17/2020	9879124025	63,690.00
2700423716	1334430841	4/21/2020	5/21/2020	9879127677	76,428.00
2700438291	1334432656	4/21/2020	5/21/2020	9879128741	25,476.00
2700425992	1334432657	4/21/2020	5/21/2020	9879128742	25,476.00
2700404016	1334432662	4/21/2020	5/21/2020	9879128747	12,738.00
2700424697	1334432658	4/21/2020	5/21/2020	9879128743	6,369.00
2700397579	1334432659	4/21/2020	5/21/2020	9879128744	6,369.00
2700395406	1334432660	4/21/2020	5/21/2020	9879128745	6,369.00
2700402480	1334432661	4/21/2020	5/21/2020	9879128746	6,369.00
2700273155	1334441710	4/22/2020	5/22/2020	9879129802	48,848.80
2700438721	1334457274	4/24/2020	5/24/2020	9879134611	57,784.32
2700439978	1334457275	4/24/2020	5/24/2020	9879134612	19,107.00
2700441411	1334469983	4/27/2020	5/27/2020	9879136982	72,230.40
2700441413	1334469984	4/27/2020	5/27/2020	9879136983	38,214.00
2700441410	1334469985	4/27/2020	5/27/2020	9879136984	25,476.00
2700443215	1334480050	4/28/2020	5/28/2020	9879139104	2,288.00
					416,338.78

19 6.Accordingly, the total amount that will be necessary to cure all monetary defaults under
20 the Licenses is \$423,314.69, which is the sum of \$6,975.91 plus \$416,338.78 (the “*Cure
21 Amount*”).

22 7.Microsoft reserves the right to withdraw or revise this Cure Objection pending further
23 investigation or further information from Debtors.

24 WHEREFORE, Microsoft objects to Debtors’ proposed cure amount, and asserts that the
25 total amount required to cure all monetary defaults under the Licenses is \$416,338.78. Absent
26 payment of the Cure Amount, Microsoft objects to and does not consent to any proposed
27 assumption and assignment of the Licenses.

Fox Rothschild LLP
1001 4th Ave. Suite 4500
Seattle, WA 98154

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2 Dated: May 15, 2020

Respectfully submitted,

3 FOX ROTHSCHILD LLP

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5 By: /s/ Keith C. Owens
Keith C. Owens (SBN 184841)
6 Attorneys for Microsoft

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CERTIFICATE OF SERVICE

I hereby certify that on May 15, 2020, a true and correct copy of the foregoing Cure Objection by Microsoft Corporation and Microsoft Licensing, GP was served via the Court's CM/ECF electronic notification system on all parties requesting same, including the parties listed in Exhibit A.

/s/ Keith C. Owens
Keith C. Owens

Fox Rothschild LLP
11001 4th Ave. Suite 4500
Seattle, WA 98154

EXHIBIT A
Standard Parties Service List

DESCRIPTION	NAME	NOTICE NAME	EMAIL
Debtor	PG&E Corporation and Pacific Gas and Electric Company	Attn: Janet Loduca	j1lc@pge.com
Counsel to Debtors	Weil, Gotshal & Manges LLP	Attn: Stephen Karotkin, Jessica Liou, Matthew Goren	stephen.karotkin@weil.com matthew.goren@weil.com jessica.liou@weil.com
Special Counsel to Debtors	Cravath, Swaine & Moore LLP	Attn: Paul H. Zumbro, Kevin J. Orsini, George E. Zobitz, Stephen M. Kessing and Nicholas A. Dorsey, Omid H. Nasab	pzumbro@cravath.com korsini@cravath.com izobitz@cravath.com skessing@cravath.com ndorsey@cravath.com onasab@cravath.com
Counsel to Debtors	Keller Benvenutti Kim LLP	Attn: Tobias Keller, Jane Kim	tkeller@kbklp.com jkim@kbklp.com
Office of the United States Trustee	Office of the United States Trustee	Attn: James L. Snyder, Esq. ,Timothy Lafreddi, Esq., Marta E. Villacorta	James.L.Snyder@usdoj.gov timothy.s.laffredi@usdoj.gov Marta.Villacorta@usdoj.gov
Counsel for the Official Committee of Unsecured Creditors	Milbank LLP	Attn: Dennis F. Dunne, Samuel A. Khalil, Gregory A. Bray, Thomas R. Kreller, Alan J. Stone, Samir Vora	ddunne@milbank.com skhalil@milbank.com Gbray@milbank.com TKreller@milbank.com astone@milbank.com svora@milbank.com
Counsel for Tort Claimants Committee	Baker & Hostetler LLP	Attn: Eric Sagerman, Cecily Dumas	esagerman@bakerlaw.com cdumas@bakerlaw.com
Counsel for the administrative agent under the Debtors' debtor in possession financing facilities	Stroock & Stroock & Lavan LLP	Attn: Kristopher M. Hansen, Erez E. Gilad, Matthew G. Garofalo, Frank A. Merola	khansen@stroock.com egilad@stroock.com mgarofalo@stroock.com fmerola@stroock.com
Counsel for the agent under the Debtors' proposed debtor in possession financing facilities	Davis Polk & Wardwell LLP	Attn: Eli J. Vonnegut, David Schiff, Timothy Graulich	eli.vonnegut@davispolk.com david.schiff@davispolk.com timothy.graulich@davispolk.com
Counsel to California Public Utilities Commission	Paul, Weiss, Rifkind, Wharton & Garrison LLP	Attn: Alan W. Kornberg, Brian S. Hermann, Walter R. Rieman, Sean A. Mitchell, Neal P. Donnelly	akornberg@paulweiss.com bhermann@paulweiss.com wrieman@paulweiss.com smitchell@paulweiss.com ndonnelly@paulweiss.com
Interested Party United States on behalf of the Federal Energy Regulatory Commission	U.S. Department of Justice	Attn: Danielle A. Pham	danielle.pham@usdoj.gov
PG&E Shareholders	Jones Day	Attn: Bruce S. Bennett, Joshua M. Mester, James O. Johnston	bbennett@jonesday.com jmester@jonesday.com johnston@jonesday.com

EXHIBIT A
Standard Parties Service List

DESCRIPTION	NAME	NOTICE NAME	EMAIL
Counsel to the Ad Hoc Committee of Senior Unsecured Noteholders of Pacific Gas and Electric Company	Akin Gump Strauss Hauer & Feld LLP	Attn: Ashley Vinson Crawford	avcrawford@akingump.com
Counsel to the Ad Hoc Committee of Senior Unsecured Noteholders of Pacific Gas and Electric Company	Akin Gump Strauss Hauer & Feld LLP	Attn: Michael S. Stamer, Ira S. Dizengoff, David H. Botter	mstamer@akingump.com idizengoff@akingump.com dbotter@akingump.com
Co-Counsel to the Ad Hoc Committee of Senior Unsecured Noteholders of Pacific Gas and Electric Company	Braunhagey & Borden LLP	Attn: J. Noah Hagey, Jeffrey M. Theodore, David H. Kwasniewski, Andrew Levine	hagey@braunhagey.com theodore@braunhagey.com kwasniewski@braunhagey.com levine@braunhagey.com
Counsel for Ad Hoc Group of Subrogation Claim Holders	Willkie Farr & Gallagher LLP	Attn: Matthew A. Feldman, Joseph G. Minias, Daniel I. Forman, Benjamin P. McCallen; Antonio Yanez, Jr., Erica L. Kerman, Jonathan D. Waisnor, Matthew Freimuth	mfeldman@willkie.com jminias@willkie.com dforman@willkie.com bmccallen@willkie.com ayanez@willkie.com ekerman@willkie.com jwaisnor@willkie.com mfreimuth@willkie.com
Counsel for Ad Hoc Group of Subrogation Claim Holders	Diemer & Wei, LLP	Attn: Kathryn S. Diemer, Alexander J. Lewicki	kdiemer@diemerwei.com alewicki@diemerwei.com
U.S. Nuclear Regulatory Commission	U.S. Nuclear Regulatory Commission	Attn: Anita Ghosh Naber	anita.ghoshnaber@nrc.gov